



**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

**INDEPENDENT ACCOUNTANTS' REPORT**

Turtlecreek Township  
Warren County  
1433 West State Route 63  
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the accompanying financial statements of Turtlecreek Township, Warren County, Ohio, (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Turtlecreek Township, Warren County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 2, 2001

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**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$95,158	\$626,846	\$722,004
Intergovernmental	509,912	148,905	658,817
Special Assessments	0	17,688	17,688
Licenses, Permits, and Fees	0	350	350
Earnings on Investments	420,026	939	420,965
Other Revenue	61,751	106,527	168,278
 Total Cash Receipts	 1,086,847	 901,255	 1,988,102
<b>Cash Disbursements:</b>			
Current:			
General Government	224,154	0	224,154
Public Safety	13,474	343,976	357,450
Public Works	425,364	514,528	939,892
Health	1,029	155	1,184
Conservation - Recreation	5,476	0	5,476
Capital Outlay	712,945	471,056	1,184,001
 Total Cash Disbursements	 1,382,442	 1,329,715	 2,712,157
 Total Receipts Over/(Under) Disbursements	 (295,595)	 (428,460)	 (724,055)
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	500	650	1,150
Advances-Out	(650)	(500)	(1,150)
 Total Other Financing Receipts/(Disbursements)	 (150)	 150	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (295,745)	 (428,310)	 (724,055)
 Fund Cash Balances, January 1	 6,627,872	 1,039,599	 7,667,471
 <b>Fund Cash Balances, December 31</b>	 <b>\$6,332,127</b>	 <b>\$611,289</b>	 <b>\$6,943,416</b>
 Reserve for Encumbrances, December 31	 \$16,609	 \$20,668	 \$37,277

*The notes to the financial statements are an integral part of this statement.*

**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$89,784	\$597,714	\$687,498
Intergovernmental	3,525,168	149,965	3,675,133
Special Assessments	0	14,275	14,275
Licenses, Permits, and Fees	0	600	600
Earnings on Investments	237,763	971	238,734
Other Revenue	9,728	71,972	81,700
 Total Cash Receipts	 3,862,443	 835,497	 4,697,940
<b>Cash Disbursements:</b>			
Current:			
General Government	173,341	0	173,341
Public Safety	16,093	354,342	370,435
Public Works	303,834	517,515	821,349
Health	18,623	1,887	20,510
Conservation - Recreation	428	0	428
Capital Outlay	10,000	98,965	108,965
 Total Cash Disbursements	 522,319	 972,709	 1,495,028
 Total Receipts Over/(Under) Disbursements	 3,340,124	 (137,212)	 3,202,912
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	500,000	500,000
Advances-In	1,457	900	2,357
Transfers-Out	(500,000)	0	(500,000)
Advances-Out	(900)	(1,457)	(2,357)
 Total Other Financing Receipts/(Disbursements)	 (499,443)	 499,443	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 2,840,681	 362,231	 3,202,912
 Fund Cash Balances, January 1	 3,787,191	 677,368	 4,464,559
 <b>Fund Cash Balances, December 31</b>	 <b>\$6,627,872</b>	 <b>\$1,039,599</b>	 <b>\$7,667,471</b>
 Reserve for Encumbrances, December 31	 \$16,619	 \$336,079	 \$352,698

*The notes to the financial statements are an integral part of this statement.*



**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Turtlecreek Township, Warren County, Ohio (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. An elected township clerk is responsible for fiscal control of the resources of the Township. The Township provides general governmental services, including road and cemetery maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit, Governmental Securities and U.S. Treasury Notes are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Special Levy Fire District Fund - This fund receives proceeds from the property tax fire levy for providing fire protection to Township residents.

Special Levy Ambulance District Fund - This fund receives proceeds from the property tax ambulance levy for providing emergency services to Township residents.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon retirement. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$303,912	\$522,041
Certificates of deposit and savings deposits	<u>707,646</u>	<u>718,422</u>
Total deposits	<u>1,011,558</u>	<u>1,240,463</u>
U.S. Treasury Notes and Bonds	1,283,965	1,410,902
U.S. Governmental Securities	4,259,848	3,821,482
STAROhio	<u>388,045</u>	<u>1,194,624</u>
Total investments	<u>5,931,858</u>	<u>6,427,008</u>
Total deposits and investments	<u><u>\$6,943,416</u></u>	<u><u>\$7,667,471</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** U.S. Treasury Notes, Bonds and Governmental Securities are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 845,086	\$1,086,847	\$241,761
Special Revenue	<u>897,255</u>	<u>901,255</u>	<u>4,000</u>
Total	<u><u>\$1,742,341</u></u>	<u><u>\$1,988,102</u></u>	<u><u>\$245,761</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,472,549	\$1,399,051	\$6,073,498
Special Revenue	<u>1,937,263</u>	<u>1,350,383</u>	<u>586,880</u>
Total	<u><u>\$9,409,812</u></u>	<u><u>\$2,749,434</u></u>	<u><u>\$6,660,378</u></u>

**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$754,490	\$3,862,443	\$3,107,953
Special Revenue	898,389	1,335,497	437,108
Total	\$1,652,879	\$5,197,940	\$3,545,061

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,542,604	\$1,038,938	\$3,503,666
Special Revenue	1,580,347	1,308,788	271,559
Total	\$6,122,951	\$2,347,726	\$3,775,225

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. RETIREMENT SYSTEMS**

The Township's officials and full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% in 1999 and 10.84% in 2000 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**TURTLECREEK TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance to full-time employees through a private carrier.

**7. PRIOR PERIOD ADJUSTMENT**

An outstanding check from 1998 was voided and reissued in 1999. This item resulted in the following restatement of beginning fund balance :

<u>Fund</u>	<u>Balance at December 31, 1998</u>	<u>Restatement</u>	<u>Balance at January 1, 1999</u>
Special Revenue	\$677,266	\$102	\$677,368

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Turtlecreek Township  
Warren County  
1433 West State Route 63  
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the financial statements of Turtlecreek Township, Warren County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 2, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

### Compliance

As part of obtaining reasonable assurance about whether Turtlecreek Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated April 2, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Turtlecreek Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 2, 2001.

Turtlecreek Township  
Warren County  
Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management and Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 2, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**TURTLECREEK TOWNSHIP**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 8, 2001**